

Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 EB-07 AID-05 AF-06 ARA-06 EA-06

NEA-09 RSC-01 COME-00 LAB-04 TRSE-00 SIL-01 L-02

CIAE-00 INR-07 NSAE-00 OIC-02 /079 W

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R 271213Z JAN 75

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 4632

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TAGS: EAID, EGEN, OCON, US, UNIDO

SUBJECT: UNIDO: RESUMED FIFTH SESSION OF
PERMANENT COMMITTEE

REF: VIENNA 10412, DEC. 17, 1974

SUMMARY. RESUMED FIFTH SESSION PC CAME TO GRIPS
WITH CENTRAL ISSUE OF FACILITATING DISCUSSIONS
AMONG WEO'S (GROUP B), SOCIALISTS (GROUP D), AND
G-77 AFTERNOON JAN. 22 WHEN LATTER FINALLY AGREED
THAT PC-V TRANSFORM ITSELF INTO INFORMAL CONSULTATIVE
GROUP TO DISCUSS ON BASIS G-77 PAPER, INFORMALLY
CIRCULATED AT DEC. SESSION OF PC-V, GROUP D
AMENDMENTS TO G-77 DRAFT (WITH EXCEPTION ROMANIA)
AND NEW GROUP B PAPER WHICH IS COMPOSITE OF EARLIER
"PRELIMINARY NOTES" AND G-77 TEXT. NEW GROUP B
PAPER TO WHICH US MADE MAJOR INPUT, CIRCULATED
JAN. 23 DESPITE STRENUOUS LAST MINUTE OPPOSITION
OF FRENCH. INFORMAL DISCUSSIONS WILL START MORNING
JAN. 24. SEVERAL ORGANIZATIONAL QUESTIONS RE UNIDO-II
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DISPOSED OF WITHOUT DIFFICULTY. WHILE GROUP B HAS

HELD TOGETHER THUS FAR, THERE ARE SIGNS OF DIVERGENCE WHICH COULD BECOME PRONOUNCED AT LIMA. END SUMMARY.

1. GROUP B BEGAN ELABORATE NEW DRAFT PAPER JAN. 15 WHEN IT FORMED DRAFTING GROUP COMPOSED OF US (CLAY BLACK), UK AND NETHERLANDS, WITH ASSISTANCE OF OECD SECRETARIAT (FRANCIS BLACK) TO PRODUCE DRAFT DECLARATION AND PLAN OF ACTION. GROUP B INSTRUCTED THAT DRAFT BE IN FORMAT OF G-77 PAPER AND INCLUDE ELEMENTS OF BOTH G-77 TEXT AND GROUP B "PRELIMINARY NOTES" DRAFTED IN DEC. IT WAS CLEAR FROM DISCUSSIONS THAT MOST GROUP B COUNTRIES WERE UNSURE OF WHAT SORT OF PAPER THEY WANTED AND HOW SUCH PAPER MIGHT BE USED, WITH MANY VERY HESITANT ABOUT SUBMISSION OF NEW PAPER TO G-77 PRIOR TO LIMA. FINAL PRODUCT, WHICH COMPLETED JAN. 22, CONTAINS ESSENTIAL ELEMENTS OF US POSITIONS WORKED OUT IN WASHINGTON AS RESULT OF OUR ACTIVE AND SUCCESSFUL ROLE IN ITS DRAFTING. TEXT WILL BE HAND-CARRIED TO WASHINGTON FOR SCRUTINY BY DEPT. AND INTERESTED AGENCIES.

2. RESUMED SESSION PC-V COMMENCED JAN. 20 UNDER CHAIRMANSHIP OF AMBASSADOR FERNANDINI AND IN ABSENCE OF NEW EXECUTIVE DIRECTOR KHENE WHO WAS IN NEW YORK. AT FIRST PLENARY SESSION GROUP D CIRCULATED AMENDMENTS TO G-77 DRAFT WHICH GAVE THEM CERTAIN TACTICAL ADVANTAGE OF SHOWING RESPONSIVENESS TO G-77. AMENDMENTS FOLLOW USUAL SOCIALIST THEMES AND ARE NOT HELPFUL FROM OUR POINT OF VIEW EXCEPT IN FEW CASES.

3. GROUP D AMENDMENTS AND GROUP B EFFORTS TO PRODUCE NEW DRAFT TEXT RENDERED DEPASSE SECRETARIAT SYNOPTIC TABLE PREPARED, AS REQUESTED BY DECEMBER SESSION PC-V, ON BASIS OF GROUP 77 DRAFT, GROUP B "PRELIMINARY NOTES" AND SOVIET MEMORANDUM TO DEC. SESSION. SOVIET DELEGATION OBJECTED TO INCLUSION OF LATTER IN SECRETARIAT DOCUMENT, CLAIMING IT WAS NOT REFLECTIVE OF OPINIONS OF ALL GROUP D COUNTRIES. BOOTLEGGED COPY OF REPORT OF G-77 DRAFTING GROUP, INTENDED TO MAKE RECOMMENDATIONS TO G-77 ALGIERS MEETING, REVEALED G-77 HAD USED TABLE LIMITED OFFICIAL USE

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TO DELINEATE AREAS OF AGREEMENT AND DISAGREEMENT AMONG INITIAL GROUP POSITIONS.

4. DURING FIRST TWO DAYS OF PC SESSION G-77 WAS NOT PREPARED TO ENTER INTO INFORMAL TALKS, ALTHOUGH SOME SIGNALS SURFACED THAT SOME MEMBERS OF G-77, PARTICULARLY ESCAP COUNTRIES AND ALGERIA, WERE PRESSING OTHERS TO AGREE TO SUCH TALKS. AT SAME TIME AMBASSADOR

BRILLANTES OF PHILIPPINES APPEARS TO HAVE ASSERTED LEADERSHIP IN G-77 (ZAIRE IS PRESENTLY HEAD OF G-77 BUT IS NOT MEMBER OF IDB AND IS WEAKLY REPRESENTED HERE) AND TO HAVE OBTAINED AGREEMENT OF G-77 TO ANNOUNCE WILLINGNESS FOR PC TO BE TRANSFORMED INTO "INFORMAL CONSULTING MACHINERY" FOR PURPOSE OF TALKS. BRILLANTES APPEALED TO GROUP B TO FOLLOW GROUP D EXAMPLE AND SUBMIT AMENDMENTS DIRECTLY TO G-77 TEXT.

5. SUDDEN SHIFT IN G-77 POSITION SPARKED GROUP B REACTION ALONG LINES WE HAD HOPED; NAMELY, THAT WE PUT NEW PAPER INTO HANDS OF G-77 AS SOON AS POSSIBLE. FRENCH DELEGATION, SUPPORTED BY BELGIUM AND AUSTRIA, ADAMANTLY OPPOSED THIS COURSE OF ACTION CLAIMING COMPOSITE GROUP B PAPER WAS NOT RESPONSIVE TO G-77 DEMAND FOR AMENDMENTS TO ITS TEXT. OPPOSITION WAS FINALLY OVERCOME, ALTHOUGH NOT WITHOUT AGREEMENT TO ACCEDE TO FRENCH WISH TO SET UP NEW DRAFTING GROUP TO UNDERTAKE EXERCISE OF AMENDING G-77 TEXT, ALTHOUGH THERE WAS NO AGREEMENT ON USE OF SUCH PRODUCT. WHILE FRENCH DEL WITHIN GROUP B CONSTANTLY TOOK POSITION THAT NEW GROUP B DRAFT NOT POSITIVE ENOUGH, DISCUSSIONS REVEALED THEY WERE OFTEN UNPREPARED TO MAKE POSITIVE CONTRIBUTION WHICH MIGHT

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INDICATE FRENCH NOT IN BASIC AGREEMENT WITH GROUP B EFFORTS AND INTEND TO GO TO LIMA WITH INDEPENDENT LINE. IT ALSO APPEARS THAT FRENCH HAD MADE COMMITMENT TO LE GUAY OF UNIDO SECRETARIAT (FRENCH) TO SUPPORT SUCH TROUBLESOME PROPOSALS AS ESTABLISHMENT OF PERMANENT CONSULTATIVE MACHINERY TO FACILITATE INDUSTRIAL TRANSFERS AS TREATED IN SECRETARIAT DOCUMENT ID/B/C.3/27. (FRENCH PROPOSED INSERTION LANGUAGE TO THAT EFFECT DURING GROUP B DISCUSSION OF ITS NEW DRAFT.) IT WAS ALSO CLEAR FROM GROUP B DISCUSSIONS THAT DESPITE FACT NEW PAPER HAS BEEN HELD WITHIN BOUNDS OF OUR POSITION, MANY GROUP B COUNTRIES CAN GO BEYOND THESE PARAMETERS AND WILL PROBABLY DO SO AT LIMA.

6. ABBREVIATED PLENARY SESSIONS THUS FAR HAVE NOT BEEN PARTICULARLY NOTEWORTHY. CHINESE, IN USUAL FASHION, WEIGHED IN HEAVILY AGAINST "SUPERPOWERS" WITH SOVIETS PERHAPS COMING OUT A BIT WORSE THAN WE. IRISH AMBASSADOR, AS CHAIRMAN OF EEC COUNTRIES, STRESSED FORTHCOMING ATTITUDE OF COMMUNITY ON TRADE MATTERS AND FINANCIAL AND TECHNICAL COOPERATION WITH LDC'S
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(TEXT TO BE POUCHED). USDEL MADE GENERAL STATEMENT ON CONFERENCE PREPARATIONS WHICH REITERATED OUR PLEDGE TO COOPERATE IN WORKING TOWARD SUCCESSFUL UNIDO-II AND RECALLING OUR STATEMENT OF DEC. WHICH OUTLINED OUR MAIN PROBLEMS WITH POSITIONS CONTAINED IN G-77 DRAFT DECLARATION AND PLAN OF ACTION.

7. IMPORTANT ISSUE OF INSTITUTIONAL ARRANGEMENTS FOR UNIDO (ITEM 8 OF UNIDO-II AGENDA) NOT DISCUSSED IN DETAIL. DECISION TAKEN TO FORWARD SYG'S REPORTS ON AUTONOMY AND CREATION OF INDUSTRIAL DEVELOPMENT FUND TO LIMA. BOOTLEGGED COPY OF REPORT OF G-77 DRAFTING GROUP SHOWS IT WILL RECOMMEND TO ALGIERS MEETING THAT WHILE UNIDO MUST HAVE MORE AUTONOMY, SPECIALIZED AGENCY STATUS SHOULD NOT BE SOUGHT AS SUCH STATUS WILL NOT ENABLE UNIDO TO OBTAIN NECESSARY INCREASED FINANCING DUE TO DOUBTS RE FUTURE MEMBERSHIP AND TIME-CONSUMING PROCEDURES FOR CONVERSION TO SPECIALIZED AGENCY. INSTEAD, REPORT RECOMMENDS USUAL RANGE OF MEASURES FOR INCREASED BUDGETARY AND ORGANIZATIONAL AUTONOMY WHICH SYG'S REPORT HAS ALREADY RULED OUT IF UNIDO MAINTAINS PRESENT STATUS. SHOULD G-77 PURSUE THIS LINE THERE COULD BE REAL BATTLE

WITH SYG, IN ADDITION TO SUCH PROPSALS RUNNING INTO GENERAL GROUP B (AND PERHAPS GROUP D) OPPOSITION. MOREOVER, THE G-77 DRAFTING GROUP'S REPORT RECOMMENDS INCREASING LDC REPRESENTATION IN IDB BY 15 SEATS, INCREASED LDC REPRESENTATION AT SENIOR LEVELS OF UNIDO SECRETARIAT, CREATION OF INDUSTRIAL DEVELOPMENT FUND, CREATION OF "NEUTRAL INTERNATIONAL FUND" (IT NOT CLEAR HOW THIS WOULD RELATE TO INDUSTRIAL DEVELOPMENT FUND), AND HOLDING OF GENERAL CONFERENCE EVERY THREE TO FOUR YEARS.

8. ON ORGANIZATIONAL MATTERS AT LIMA, PC-V DECIDED TO RECOMMEND TO UNIDO-II THAT CREDENTIALS COMMITTEE BE SAME AS THAT OF 29TH GENERAL ASSEMBLY (US REPRESENTED); THAT UNIDO-II BE COMPOSED OF PLENARY AND TWO STANDING COMMITTEES WITH FIRST COMMITTEE TO DEAL WITH ITEMS 6 (GENERAL ITEM ON INDUSTRIALIZATION) AND 7 (FOLLOW-UP TO UNIDO-I AND LONG-RANGE STRATEGY) LIMITED OFFICIAL USE

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AND SECOND COMMITTEE WITH ITEM 8 (INSTITUTIONAL ARRANGEMENTS FOR UNIDO); THAT PLENARY AND TWO COMMITTEES EACH HAVE A CHAIRMAN, THREE VICE-CHAIRMEN AND RAPPORTEUR; THAT SECRETARIAT DOCUMENTS ON ITEM 7 NOT BE DISCUSSED AT PC-V BUT SIMPLY BE FORWARDED TO UNIDO-II; AND THAT UNIDO-II WILL START WITH HEADS OF DELEGATION MEETING MORNING MARCH 12, AT WHICH TIME QUESTION OF ESTABLISHMENT OF DRAFTING COMMITTEE WILL BE CONSIDERED, AND THAT PLENARY WILL START THAT AFTERNOON.

9. PC-V FURTHER DECIDED THAT INFORMAL CONSULTATIVE GROUP WILL CONTINUE UNTIL AFTERNOON JAN. 27, AT WHICH TIME PC-V WILL REVERT TO PREPCOM IN ORDER TO DISPOSE OF FINAL REPORT ON UNIDO-II PREPARATIONS ALTHOUGH IT NOT YET DECIDED WHAT FORM THIS REPORT WILL TAKE. STIBRAVY

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